



U.S. ECONOMIC ASSISTANCE PROGRAM IN EGYPT

04-319

**CONFORMED
COPY**

USAID Grant Agreement No. 263-0285

PROJECT GRANT AGREEMENT

BETWEEN THE

ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA

FOR

AGRICULTURAL EXPORTS AND RURAL INCOMES

PA-263-02-0285.00

Dated: 30 SEP 2002

"Certified to be a true copy of the original document signed by Ambassador C. David Welch; and Fayza Aboulnaga, Minister of Foreign Affairs."

FUNDS RESERVED			
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Agent Code		App. Encls.	
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Legal Advisor

Project Grant Agreement

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PROJECT GRANT AGREEMENT

FOR

AGRICULTURAL EXPORTS AND RURAL INCOMES

Dated:

30 SEP 2002

Between

The Arab Republic of Egypt ("A.R.E." or the "Grantee")

and

The United States of America ("U.S.A."), acting
through the United States Agency for International
Development ("USAID").

Article 1: Purpose.

The purpose of this Project Grant Agreement ("Agreement")
is to set out the understanding of the parties named above (the
"Parties") about the Strategic Objective and Result described
below.

Article 2: Strategic Objective and Result.

Section 2.1. Strategic Objective. The Strategic
Objective sought by this Agreement is "Environment for Trade and
Investment Strengthened." This Agreement is one of a number of

agreements that fund activities designed to achieve this Strategic Objective.

Section 2.2. Result. In order to assist in achieving the Strategic Objective, the Parties agree to work together to achieve the following Result (the "Result"): increase in on-farm and agribusiness jobs and rural incomes.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Strategic Objective and Result, describes the activities necessary to achieve them and the indicators by which their achievement will be measured. Within the limits of the above definition of the Strategic Objective and Result in Sections 2.1 and 2.2, Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Article 3. Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) The Grant. To help achieve the Strategic Objective and Result set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the A.R.E. under the terms of the Agreement not to exceed Fifteen

Million United States ("U.S.") Dollars (\$15,000,000) (the "Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution under this Agreement will not exceed Fifty Five Million U.S. Dollars (\$55,000,000), which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.

Section 3.2. A.R.E. Contribution.

(a) The A.R.E. agrees to provide or cause to be provided all funds, in addition to those provided by USAID, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Result.

(b) Subject to the availability of funds for this purpose, the A.R.E. contribution will not be less than the Egyptian pound equivalent of Two Million Sixty Three Thousand Fifty Two U.S. Dollars (\$2,063,052), including cash and in-kind contributions. The A.R.E. will report at least annually in a format to be agreed upon with USAID on its cash and in-kind contributions.

Article 4: Completion Date.

(a) The Completion Date, which is September 30, 2007, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Result will be completed.

(b) Except as USAID may otherwise agree in writing, USAID will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months following the Completion Date, or such other period as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the A.R.E. and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Requirements Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement of funds under the Grant, or to the issuance by USAID of documentation pursuant to which such disbursement may be made, the A.R.E. shall, except as the Parties may otherwise agree in writing, furnish to USAID, in satisfactory form and substance: a statement of the names and titles of the persons authorized pursuant to Section 7.2 to act as the representatives of the A.R.E., together with a specimen signature of each person specified in such statement.

Section 5.2. Notification. USAID will promptly notify the A.R.E. when USAID has determined that the requirement precedent specified in Sections 5.1. has been met.

Section 5.3. Terminal Date for Requirement Precedent. The terminal date for meeting the requirement precedent specified in Section 5.1 is ninety (90) days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the requirement precedent in Section 5.1 has not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the A.R.E.

Article 6: Special Covenants.

Section 6.1. Establishment of Advisory Committee. The A.R.E. shall establish an Advisory Committee for the Agriculture Exports and Rural Incomes Project, whose purpose is defined in Annex 1 to this Agreement. The Advisory Committee shall consist of representatives from the Ministry of Agriculture and Land Reclamation, one of whom shall be an authorized representative of the A.R.E. pursuant to Section 5.1(a), who shall further be designated as Chairman of the Advisory Committee, and a representative from the Ministry of Foreign Affairs (MFA), International Cooperative Sector (ICS), as well as representatives from other relevant A.R.E. ministries such as the Ministry of Foreign Trade, the Ministry of Water Resources and Irrigation and the Ministry of Supply and Home Trade, and from the Egyptian private sector and USAID. The Advisory Committee members roles and responsibilities shall be set forth in a separate memorandum of understanding in accordance with the criteria set forth in the Annex 1 to this Agreement; and,

Section 6.2. Payment of Taxes, Tariffs, Duties and other Levies. To the extent that any of the funds provided under the

Grant are used to pay any taxes, tariffs, duties or other levies (including social insurance) for which an exemption is provided under Section B.4. of Annex 2 hereto, the A.R.E. agrees that the Ministry of Agriculture and Land Reclamation, shall, unless otherwise expressly provided in Implementation Letters, pay the same with funds other than those provided by USAID under the Grant.

SECTION 6.3. Documentation Required for Duty-Free Importation of Commodities and Personal Effects. The A.R.E. agrees that the Ministry of Agriculture and Land Reclamation shall provide to the Egyptian Customs Authority whatever documentation is required by, and is acceptable to, the Egyptian Customs Authority for the duty-free importation of any commodities (including vehicles) and personal effects for which an exemption from taxes, tariffs, duties, or other levies is provided under Section B.4. of Annex 2 hereto.

SECTION 6.4. Monitoring and Evaluation. The Parties agree to establish a monitoring and evaluation program as part of the Agreement. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Agreement, and at one or more points thereafter:

(a) systematic monitoring and reporting of progress on performance indicators during the Agreement period;

(b) formal evaluation or review of the Agreement at critical points during the Agreement's implementation, using the information provided to improve attainment of the Agreement's objectives; and

(c) a summary of the performance indicators and development impact achieved as a result of the Agreement.

Article 7: Miscellaneous.

Section 7.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, telefax or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the A.R.E.:

Ministry of Foreign Affairs
International Cooperation Sector
Economic Cooperation with USA
48/50 Abdel Khalick Tharwat Street
Cairo, Egypt

Ministry of Agriculture and Land Reclamation
Dokki
Cairo, Egypt

To USAID:

USAID/Office Building
Plot 1/A Off El Laselki Street
New Maadi, Postal Code 11435
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 7.2. Representatives. For all purposes relevant to this Agreement, the A.R.E. will be represented by the individual holding or acting in the Office of Minister of State for Foreign Affairs and/or the Administrator of the Department for Economic Cooperation with U.S.A., International Cooperation Sector, and USAID will be represented by the individual holding or acting in the Office of Director, USAID, each of whom, by written notice, may designate additional representatives for all purposes other than signing formal amendments to the Agreement or revising the Strategic Objective or Result. The names of the representatives of the A.R.E., with specimen signatures, will be provided to USAID, which may accept as duly authorized any instrument signed by such representatives in implementation of

this Agreement, until receipt of written notice of revocation of their authority.

Section 7.3. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

Section 7.4. Language of Agreement. This Agreement is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

SECTION 7.5. Ratification. The A.R.E. will take all necessary action to complete all legal procedures necessary to ratification of this Agreement and will notify USAID as promptly as possible of the fact of such ratification.

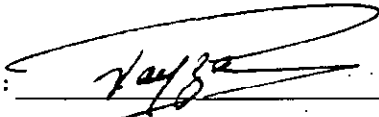
Section 7.6. Effective Date. This Agreement shall enter into force when signed by both Parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

UNITED STATES OF AMERICA

BY :



NAME : Fayza Aboulnaga

TITLE: Minister of State for Foreign Affairs

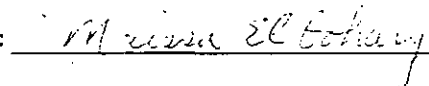
BY :



NAME : C. David Welch

TITLE: American Ambassador


BY :



NAME : Maissa El-Gohary

TITLE: Acting Administrator
Of the International
Cooperation Sector,
Economic Cooperation
With U.S.A.

BY :



NAME : Anne Aarnes

TITLE: Acting Director,
USAID/EGYPT

Implementing Organization

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

BY : Yousuf Wally

NAME : Dr. Youssuf Wally

TITLE : Deputy Prime Minister and Minister of
Agriculture and Land Reclamation